

STATE OF TEXAS §
COUNTIES OF ARANSAS §
SAN PATRICIO AND NUECES §
CITY OF ARANSAS PASS §

On this the 7th day of August, 2006 the City Council of the City of Aransas Pass convened in a Regular Council Meeting being open to the Public at the regular meeting place thereof in the City Hall and notice of said meeting giving the time, place, date and subject hereof having been posted and prescribed by Chapter 551 of the Texas Government Code with the following attendance to wit constituting a quorum.

PRESENT: Dorothy Roberts, Mayor Pro Tempore
Frank Hametner, Council Member
Grace Chapa, Council Member
Tommy Knight, Council Member

ABSENT: Jesus Galvan, Mayor

ADMINISTRATIVE PERSONNEL PRESENT: Scott Thompson, City Manager
Allen Lawrence, City Attorney
Ada Owens, City Secretary

ADMINISTRATIVE PERSONNEL ABSENT: None

STAFF PRESENT: Darren Gurley, Director of Public Works
Darrell Jones, Police Chief
Frank Truitt, City Inspector

OTHERS PRESENT: Mary Sue Eulitz, Lorado Gillman, Wayne Gillman, Mary Schawe, Cleatis Anderson, Don Anderson, Marilyn Rimer, Don and Jeanie Brummett, Rosemanry Upton, Patty Gilden, Ann P. Melton, Gilbert Ritz, Peggy Spencer, Ed H. Gill, Dalia Sanchez (San Patricio Tax Assessor/Collector), Dave and Pam Martin, Jim and Alpha Covington, Estela Fraga, Lupe Torres, Eric Hartzell (Grantworks, Inc.), Brock Vardsveen (Iron Gator), Kim Subier, Nancy Allen, Mike O'Dell, Bert Wilke, Bob Wright, Don McTee, Jennifer Thomas, Polly Mirkovich, Nick Mirkovich, Belinda Ritz, Mike and Jean Burkhart, Linda Lopez, Odilia Lopez, Eva Young

(There may have been others present who did not sign in).

ITEM 1. CALL MEETING TO ORDER.

Mayor Pro Tempore Roberts called the meeting to Order at 7:00 p.m. on August 7, 2006.

ITEM 2. INVOCATION AND PLEDGE OF ALLEGIANCE TO THE UNITED STATES FLAG AND THE TEXAS FLAG.

Council Member Hametner gave the Invocation.

Council Member Knight led the Pledge of Allegiance to the United States Flag and the Texas Flag.

ITEM 3. CITIZEN'S COMMENTS.

Mrs. Debra Keller stated she understood the need for increases but 40% in one year was too extreme. She stated she had voiced her concerns about raising the water rates last year and the Mayor promised that he would take a look at reducing the water rates back to last year's rate this year. The reason they were given that the rate increased was to pay a one time loan back that the General Fund had borrowed from the Utility Fund. Now it looks like there might be a 5% or 10% reduction, not 40% which is what they were charged.

Mrs. Keller stated she understood the City had some needed repairs to do on the utility infrastructure and she agreed they should be fixed, but the City does not do it by charging a 40% increase in water rates. It is done by getting a Master Plan, looking at long term needs, phasing in those needs, getting a bond issue or certificates of obligation and increase rates over time. The City should go back to last year's rates.

ITEM 4. CONSENT AGENDA – “All of the Following items on the Consent Agenda are considered to be routine by the City Council and will be enacted with one motion. There will be no separate discussion of these items unless a Council Member so requests. If discussion is desired that item will be removed from the Consent Agenda and will be considered separately”.

- A. Approval of Minutes of a Regular Meeting of July 17, 2006.
- B. Consider and Act on Resolution 2006-564 Authorizing the South Texas Aggregation Project, Inc. (STAP) to negotiate an electric supply agreement for deliveries of electricity for the City of Aransas Pass for 2007-2008.
- C. Consider and Act on Approval of agreement with WKMC Architects for the design and bid contracts for construction of the animal control facility.
- D. Approval of Ordinance 2006-562 Manifesting a Conn Brown Harbor lease between the City of Aransas Pass and Harold Webster and Accepting certain terms and conditions.
- E. Approval of Ordinance 2006-563 Manifesting a Conn Brown Harbor lease between the City of Aransas Pass and Doug and Neil, Inc. and Accepting certain terms and conditions.
- F. Consider and Act on the Request of Jennifer Thomas, Slowride Guide Services and Kayak Rentals, to use Community Park, November 4 and 5, 2006 for a kayak expo and requesting certain services from the City of Aransas Pass.

Council Member Knight made the motion to approve the Consent Agenda. Council Member Hametner seconded the motion and the motion carried unanimously.

ITEM 5.

CONSIDER AND ACT ON ITEMS SUBMITTED BY DALIA SANCHEZ, SAN PATRICIO COUNTY TAX ASSESSOR/COLLECTOR, FOR FY2007.

Ms. Dalia Sanchez, San Patricio County Tax Assessor/Collector stated her report was for the tax year 2006 and taxable values of property in the City of Aransas Pass were certified by San Patricio County Chief Appraiser Rufino Lozano.

Ms. Sanchez stated the taxable value for property in the City of Aransas Pass is \$407,169,955.00, the effective tax rate is \$0.583 per \$100.00 valuation, and the rollback rate is \$0.612428 per \$100.00 valuation.

Ms. Sanchez stated the current roll collected as of July 31, 2006 for the 2005 tax year is 94.169% and as of today the collection rate for the 2005 tax year is 94.2927%. She stated the collection rate is only on current taxes and if the principal, interest and attorney fees were added the rate would be well over 95%. The anticipated collection rate for 2006/2007 should be between 96% and 97%.

Council Member Hametner made the motion to accept Ms. Sanchez's report. Council Member Chapa seconded the motion and the motion carried unanimously.

ITEM 6.

CONSIDER AND ACT ON APPOINTMENT OF ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT MEMBERS.

Mayor Pro Tempore Roberts stated terms for Mrs. Hope Comingore, Mrs. Sherri Tingali, Mr. Randall Freeze and Mr. Jimmy Turner were expired. She stated Mrs. Hope Comingore, Mrs. Sherri Tingali, Mr. Randall Freeze had reapplied for their positions on the Board and Mrs. Marilyn Rimer has applied to fill Mr. Turner's place.

Council Member Hametner made the motion to appoint Mrs. Hope Comingore, Mrs. Sherri Tingali, Mr. Randall Freeze, and Mrs. Marilyn Rimer to two-year terms on the Aransas Pass Municipal Development District Board. Council Member Knight seconded the motion and the motion carried unanimously.

ITEM 7.

CONSIDER AND ACT ON THE REQUEST OF IRON GATOR, INC. TO ANNEX 48.589 ACRES OF LAND EMBRACING LOTS 7, 8, 9, 10 AND 11 OF LANDBLOCK 4, T.P. MCCAMPBELL SUBDIVISION AND EXTEND CURRENT CITY LIMITS TO ENCOMPASS THESE TRACTS.

After discussion regarding the necessity of a public hearing, Council Member Hametner made the motion to table the item until the next

council meeting. Council Member Knight seconded the motion and the motion carried unanimously.

ITEM 8.

PUBLIC HEARING ON SUBMISSION OF FUTURE APPLICATIONS FOR TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM TO PROVIDE IMPROVED FACILITIES AND SERVICES IN THE COMMUNITY.

Mr. Allen Lawrence, City Attorney declared the Public Hearing open at 8:14 p.m. on the submission of future applications for Texas Community Development Block Grant Program to provide improved facilities and services in the community.

Mr. Eric Hartzell with GrantWorks, Inc. stated the public hearing was being held to satisfy the requirements of the Federal grant program called TCD Block Grant that makes funds available to States and small cities within that State for projects that improve infrastructure and housing opportunities within the communities for lower and middle income residents. He stated each year funds are allocated that are distributed to smaller cities and rural counties in the State. Aransas Pass had submitted for a grant in the past by applying for water and sewer improvement. The State of Texas has prioritized the funds, in the past few years, for water and sewer infrastructure improvements only.

Mr. Hartzell stated the grant in the Coastal Bend is for \$300,000.00 and the city's matching contribution is 20% or \$60,000.00.

Council Member Hametner asked can the grant funds be used for leak detection?

Mr. Hartzell stated no, those kinds of funding were considered to be engineering and these have to be construction projects.

Mr. Darren Gurley, Public Works Director stated the funds would be used to repair two lift stations on the north side of the city.

Mrs. Polly Mirkovich asked was this project going to include any kind of improvement on Iron Gator?

Mr. Gurley stated the first grant will bring water from Highway 35, across the Bypass, down Oak Lane which will serve water to that area. The next phase, which should start in six months, the system will go down Oak Lane to the Bypass and will loop around Farm Road 1069 and go down Farm Road 1069 to Resendez Road and Robert Road.

Mr. Lupe Torres asked would this include water inside the city limits?

Mr. Gurley stated the water system San Patricio County was constructing had to be in the county since the County was applying for that grant.

Ms. Eva Young asked would properties get annexed when they get water?

Mr. Gurley stated no.

The City Attorney asked were there any more questions? Having no more questions, the City Attorney declared the public hearing closed at 8:20 p.m.

ITEM 9.

CONSIDER AND ACT ON RESOLUTION 2006-565 AUTHORIZING THE SUBMISSION OF A 2007-2008 TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION TO THE OFFICE OF RURAL COMMUNITY AFFAIRS FOR THE COMMUNITY DEVELOPMENT FUND.

Council Member Knight made the motion to approve Resolution 2006-565 authorizing the submission of a 2007-2008 Texas Community Development Block Grant Application to the Office of Rural Community Affairs for the Community Development Fund and Resolution 2006-566 supporting San Patricio County's 2007-2008 Texas Community Development Block Grant Community Development Fund application, committing matching funds, and authorizing the City Manager to execute the related service provider agreement with San Patricio County. Council Member Hametner seconded the motion and the motion carried unanimously.

ITEM 10.

CONSIDER AND ACT ON THE RESOLUTION 2006-566 SUPPORTING SAN PATRICIO COUNTY'S 2007-2008 TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT COMMUNITY DEVELOPMENT FUND APPLICATION, COMMITTING MATCHING FUNDS, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE RELATED SERVICE PROVIDER AGREEMENT WITH SAN PATRICIO COUNTY.

Approved with Item 9.

ITEM 11.

CONSIDER A RESOLUTION AUTHORIZING TAX RESALE OF LOT 1, BLOCK 545, ARANSAS PASS TOWNSITE.

After discussion on the appraisal value and size of the property, a 25' lot, Council Member Knight made the motion to table this item until the next Council meeting. Council Member Hametner seconded the motion and the motion carried unanimously.

ITEM 12.

CONSIDER AND ACT ON PROPOSAL TO UPDATE WATER AND WASTEWATER RATE STUDY.

Mr. Gurley stated a rate study had to be made before the Council could adjust the water and wastewater rates, if they so desired. The rates could be reduced 5% or 10% across the board or the rate study could be done. The rate study would take into consideration the City's water loss and the City's current debt to adjust the water rates at the best level.

Mr. Gurley stated the rate study would give the City three rate designs which would include: have the low end user pay a lower rate than the high end user; different rate for senior and disabled residents; and could probably lower the rates more than 5% if the rates are structured correctly.

Council Member Hametner asked does the City have anyone in-house with the expertise to conduct the water rate study?

Mr. Gurley stated no, not for all the rate designs. The firm already has information from the first rate study last year. He stated the Council would not want to lower the rates, then not have enough money to do what is needed.

Mayor Pro Tempore Roberts stated it is good to know where the City stands financially, with lowering or raising rates of any kind. If this money is spent and Council finds they can lower the rates 15% that would be good.

Mr. Gurley stated the water and sewer rates will be considered in the rate study. He stated the study should show if the City can lower rates but the debt payment must be made.

Council Member Knight asked how much debt does the water department have?

Mr. Gurley stated the Navy Housing still had two years to be paid with \$214,000.00 due in the 2006-2007 budget and a smaller payment in the future, \$1.1M bond for the Texas Water Board, another \$1M bond, and a 1998 bond to pay off.

Mayor Pro Tempore Roberts asked what is left to pay on the \$750,000.00 on the Navy Housing project.

Mr. Gurley stated two more payments, one on the 2006-2007 budget and one on the 2007-2008 budget.

Council Member Knight stated he would tend to agreed with Mrs. Keller, if people were promised a 40% reduction, they should get it.

Mayor Pro Tempore Roberts stated the City should see what can realistically be done so the service can be maintained but still get the rate as low as possible.

Mr. Gurley stated it was not promised that the City would lower the rates back 40%, it was promised the City would look at lowering the rates in a year and that's what was being done. The rates cannot go back to what

they were, if the rates went back to 50 cents per 1,000 gallons on sewer, the utility system could not operate.

Council Member Hametner asked where was the City on fixing the water loss issue?

Mr. Gurley stated the water audit has started and the water department has recouped 10M gallons per month by changing out dead and defective meters. When he became Public Works Director the City had a 25M gallon per month water loss. The loss is now down to 10M gallons to 12M gallons. That figures is the difference between the water bought and the water sold.

Mr. Gurley stated the projects presently are to rebuild Ransom lift station and Goodnight lift station. In two years, when the City is ready to issue debt, the water tower and the Inflow and Infiltration study could be funded in one bond and he could get started on those projects. This year manholes will be repaired to stop inflow and infiltration and the bond funds are available.

Council Member Chapa made the motion to update the water and wastewater Rate Study. Council Member Hametner seconded the motion and the motion carried unanimously.

ITEM 13.

PUBLIC HEARING ON SUBSTANDARD BUILDING, TRACT 2, LANDBLOCK 239, BURTON & DANFORTH, 221 W. GILE, MS. ODILIA LOPEZ, FOR THE PURPOSE OF APPROVING DEMOLITION.

The City Attorney declared the Public Hearing open at 7:34 p.m. on the substandard building, Tract 2, Landblock 239, Burton & Danforth, 221 W. Gile. Ms. Odilia Lopez, for the purpose of approving demolition.

City Inspector, Frank Truitt made a Powerpoint presentation indicating the building in question was beyond repair; has substandard wiring; persons on the property are living in a RV without sewer or water connections; there is a contamination from raw sewage; and rubbish and garbage around the property.

Police Chief Darrel Jones stated that in the last five and one-half years there had been 167 police calls to the property to serve search warrants for the recovery of stolen property, narcotics, and aggravated assault. The residents have now installed a chain link fence and outside cameras and, in his opinion, were put up to keep the police out.

Ms. Mary Sue Eulitz stated the occupants of 221 W. Gile do not recognize building codes or health codes. She stated after seeing the pictures presented by the City Inspector, she knew why there was such a stink coming from that property. She stated there could not be people violating the health codes of the City much less the State codes. The problem could not continue.

Mrs. Marilyn Rimer stated the situation at 221 W. Gile has got to be resolved. She and her family have been subjected to the stench of raw sewage since they moved into the neighborhood and are concerned about health matters with all the junk RV's, trailers and substandard housing on the Lopez property. The sewage or wastewater dumped on the ground produces a large amount of flies and mosquitoes and attracts vermin. There is worry about fires from the overloaded extension cords that are used to connect the various structures that are scattered on the property. The shacks and trailers are uninhabitable. Until recently, there was no garbage service at 221 W. Gile, the occupants would dump their trash on the corner of Gile and Hatch and leave it there to rot until the monthly pick up by the City. The majority of property owners around the Lopez property are seniors and have had fears for their safety because of the amount of people coming and going from 221 W. Gile at all hours of the day and night. Mrs. Rimer stated the constant traffic has overflowed to their driveways, strange vehicles are parked on the street, the visitors and residents of the Lopez property are seen going into carports and wandering around through private property and residences, and are approaching residents asking for money and use of their cell phones. She stated there has been extreme animal cruelty sanctioned by the residents of 221 W. Gile to some of the resident's dogs and puppies, it is so horrible that the photos could not be shown to the Council and audience. She requested that the Council take positive action to get rid of the horrible situation in their neighborhood.

Ms. Linda Lopez, speaking for her mother, Odelia Lopez, stated the so-called septic tank was covered up and there was a Skid-O-Can because the City does not want to connect the sewer to the property. She stated the sewer tap has been paid by her mother. There is no animal cruelty on the property. She did not know about cars going in and out, she does not live there. She stated she had pictures showing the way the house is now. Everything the City told her mother to do has been done.

The City Attorney asked when was this done?

Ms. Lopez stated a long time ago. The grass is yellow because the water has been shut off. She stated it was not fair that her mother, who owns the property, had to cut the grass because there was other property with tall grass in the neighborhood and her mother did not live there.

Council Member Knight asked who lived on the property?

Ms. Lopez stated her brothers live there. Her mother used to live there but when the water was cut off her mother had to leave. She stated everything that was supposed to be repaired was repaired.

Council Member Hametner asked the City Inspector what dates were the pictures taken of Ms. Lopez's property?

The City Inspector stated some pictures were older, he had gotten onto the property with the Police and had talked to the neighbors and had also taken some of the pictures last week.

Council Member Chapa asked Ms. Lopez what about the drug activity?

Ms. Lopez asked what drug activity?

Mayor Pro Tempore Roberts stated all the drug activity the Police Chief reported to the Council.

Ms. Lopez stated she did not know about that.

The City Manager stated one of the biggest issues was the house is about 200' from the main sewer line. He asked Ms. Lopez was the sewer tap fee her mother had paid the City been refunded?

Ms. Lopez stated no.

Mr. Gurley stated he had given Ms. Lopez the cost of running the sewer line to 221 W. Gile, it was \$8,500.00.

Ms. Lopez stated the property was on a public road.

The City Manager stated it is a public road but the City was not going to extend the sewer line to her property at taxpayer's expense.

Mr. Gurley stated Ms. Lopez has only paid \$600.00 on the tap fee which will be refunded to Ms. Lopez.

Mr. Mike Burkheart gave comments on the traffic on the Lopez property.

Mr. Mike Odell gave comments on the disturbance from the Lopez property and neighbor's fences being cut.

The City Attorney declared the public hearing closed at 7:52 p.m.

ITEM 14.

CONSIDER AND ACT ON SUBSTANDARD BUILDING, TRACT 2, LANDBLOCK 239, BURTON & DANFORTH, 221 W. GILE, MS. ODILIA LOPEZ, FOR THE PURPOSE OF APPROVING DEMOLITION.

Mr. Gurley stated to bring the property up to code the sewer line would have to be extended, repair the roof of the house and bring it up to code, remove the trailers from the property and that was just the start.

The City Inspector stated Ms. Lopez has 30 days to repair the structure or if Ms. Lopez brings a plan to the Inspection Department before 30 days and states why she would need more time to repair the structure,

Ms. Lopez could be given 90 days by the Council each time she comes back but the Council did not have to give Ms. Lopez another 90 days.

Mayor Pro Tempore Roberts stated the item would come before the Council on September 5, 2006 She stated all the houses be brought up to code, all open septic and sewer drain lines are to be cleaned up and covered, all old cars removed, all trash is to be removed, all the trailers are to be moved, there must be City sewer to the house and the City Inspector must be allowed on the property to inspect it to see that everything is done to bring the property up to code.

Council Member Chapa made the motion to give Ms. Lopez 30 days to bring the property up to code or the City would demolish the substandard building on Tract 2, Landblock 239, 221 W. Gile. Council Member Hametner seconded the motion and the motion carried unanimously.

ITEM 15.

PUBLIC HEARING ON SUBSTANDARD BUILDING, LOTS 14-22, BLOCK 6, FRICKS ADDITION, 1149 S. COMMERCIAL, LAWYERS TITLE INSURANCE CORPORATION, FOR THE PURPOSE OF APPROVING DEMOLITION.

The City Attorney declared the Public Hearing open at 8:04 p.m. on the substandard building, Lots 14-22, Block 6, Fricks Addition, 1149 S. Commercial.

The City Inspector made a Powerpoint presentation showing the condition of the substandard building and stated the property owner did not contest the structure being demolished by the City and would pay the lien for the demolition.

The City Attorney asked if there was anyone present to speak for the request. Seeing no one, the City Attorney declared the Public Hearing closed at 8:06 p.m.

ITEM 16.

CONSIDER AND ACT ON SUBSTANDARD BUILDING, LOTS 14-22, BLOCK 6, FRICKS ADDITION, LAWYERS TITLE INSURANCE CORPORATION, FOR THE PURPOSE OF APPROVING DEMOLITION.

Council Member Knight made the motion to approve demolition of the substandard building, Lots 14-22, Block 6, Fricks Addition. Council Member Hametner seconded the motion and the motion carried unanimously.

ITEM 17.

RECESS REGULAR MEETING AND RETIRE TO EXECUTIVE SESSION PURSUANT TO CHAPTER 551 OF TEXAS GOVERNMENT CODE.

Recessed into Executive Session at 8:11 p.m.

A. Section 551.074, Personnel Matters: Municipal Court Judge

B. Section 551.074, Personnel Matters: Assistant City Manager

ITEM 18.

RECONVENE IN REGULAR MEETING AND CONSIDER AND ACT ON FINDINGS OF EXECUTIVE SESSION.

Reconvened at 8:26 p.m.

A. Section 551.074, Personnel Matters: Municipal Court Judge

Mayor Pro Tempore Roberts stated there were no findings and no action to be taken.

B. Section 551.074, Personnel Matters: Assistant City Manager

Mayor Pro Tempore Roberts stated there were no findings and no action to be taken.

ITEM 19.

ADJOURNMENT OF MEETING.

Mayor Pro Tempore Roberts adjourned the meeting at 8:28 p.m.

Dorothy Roberts, Mayor Pro Tempore

ATTEST:

Ada Owens, City Secretary